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C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 002356

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E.O. 12958: DECL: 10/20/2014

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SUBJECT: HONDURAN PUBLIC MINISTRY DROPPING CORRUPTION
CHARGES AGAINST FORMER PRESIDENT CALLEJAS

REF: A. TEGUCIGALPA 2123

[B](#). TEGUCIGALPA 1690

[C](#). TEGUCIGALPA 729

[D](#). TEGUCIGALPA 400

Classified By: Ambassador Larry L. Palmer;
reasons 1.4 (b) and (d).

[1](#). (C) SUMMARY: While other countries in the region have taken steps to arrest and/or prosecute high-level corrupt individuals, Honduras appears to be moving in the opposite direction. On October 18, the Public Ministry officially dropped all pending corruption charges against ex-president (and National Party leader) Raphael Leonardo Callejas and a number of other Callejas associates, some of whom continue to hold prominent positions within the GOH. These actions appear to have been orchestrated by the Honduran Attorney General (AG), Ovidio Navarro, who once served as Callejas' attorney and who continues to maintain a close relationship with him. This latest action, unfortunately, once again raises serious questions regarding Honduras' commitment to fighting corruption and upholding the rule of law. END SUMMARY.

Navarro Shows His True Colors

[2](#). (C) On October 18, the Honduran Public Ministry officially dropped all pending corruption charges against ex-president Raphael Leonardo Callejas (1990-94) and a number of other Callejas associates, some of whom continue to hold prominent positions within the GOH. In all, 15 cases were dismissed. Many cases were over 10 years old; others, however, were as recent as 2003. The cases appear to have been dismissed over the objection of prosecutors responsible for these cases. In fact, PolOff received a desperate phone call from Martha Valladares, acting special prosecutor for corruption at the PM, pleading that the Embassy intervene with the GOH to have the decision reversed. (Note: Special Prosecutor for Corruption Soraya Morales is in Japan for training. The timing of the announcement is unlikely to be a coincidence. End Note.) Valladares told PolOff that AG Navarro ordered the cases be dropped because of his connections with Callejas. Valladares went on to note that she believed the pending cases at the PM were strong and the only thing holding back successful prosecutions was the lack of interest by high level officials in moving the cases forward. The official reason given by the PM for dismissing the cases was that they were old and cluttering up the system. By dismissing these 15 cases, out of a total of approximately over 1,300 pending corruption cases, the PM claimed that the justice system in Honduras would work more smoothly.

[3](#). (C) When AG Navarro assumed control of the Public Ministry (PM) in February 2004, he assured the Honduran people and the Ambassador that he would aggressively pursue cases against corrupt individuals, regardless of their status in Honduran society (ref C). This has not been the case. Continuing in the path of his predecessor, Roy Medina, Navarro has chosen to obfuscate and eschew rather than pursue meaningful cases against "big fish." In this recent case, AG Navarro claims he had recused himself because of his known connections to Callejas. However, it appears certain he was behind the decision to have the cases dismissed.

PM's Undistinguished Record Gets Worse

[4](#). (C) The dismissal of cases against Callejas and his associates continues an unimpressive record at the PM in fighting corruption. Post notes that in ten years of existence, the PM has only effectively prosecuted fifteen corruption cases (refs A and B). In the past, the PM has claimed that lack of resources, personnel, and other logistical constraints have hindered effective action on corruption cases. It should be noted that the Public Ministry, while part of the GOH, is an independent organization, a fact the GOH often cites when the PM makes

controversial decisions. However, it is clear that little, if any, political will exists at higher levels within the GOH to effectively pursue meaningful cases.

Other GOH Officials Speak Out

15. (C) On October 14, PolOff met with German Espinal, ex-Executive Director of the now defunct National Anti-Corruption Council (ref A). Espinal reiterated his frustration in working with the GOH on corruption issues, noting that in almost every area, the GOH is either unable or unwilling to make meaningful progress. Espinal said he still believed many individuals within the GOH wanted to "do the right thing" but they do not out of fear of losing their jobs, or worse.

16. (SBU) Also on October 14, PolOff met with Doris Aguilar, head of the PM's Organized Crime Unit. Aguilar expressed some exasperation in working with high-level GOH officials, particularly the Honduran judiciary, in moving cases forward. However, in a surprise move, Aguilar, together with six other prosecutors, publicly supported the PM leadership on the latest corruption decisions, arguing that the PM's dropping of corruption charges against Callejas and his associates should not be reversed.

U.S. Anti-Corruption Assistance

17. (U) In an effort to improve anti-corruption efforts, U.S. anti-corruption assistance in Honduras seeks to build more responsive, effective, and professional institutions in the legal system, including the Public Ministry. Through USAID's regional strategic objective for ruling justly, Embassy programs seek more responsive and transparent governance, to include the strengthened rule of law and respect for human rights, and the greater transparency and accountability of government. These programs seek to lay the groundwork for greater respect for the rule of law and improved functioning of the judicial system, both essential elements of democratic governance.

18. (U) Other Embassy programs sponsored through POL/INL, DEA, ECON, and PAS seek to expand anti-corruption training and promote better law enforcement techniques. Of particular interest, USAID is in the process of finalizing a 4.5 year contract on improving transparency and anti-corruption activities to Honduras. PAS is also sponsoring an anti-corruption speaker, Dr. Edmundo Orellana Mercado, who, apart from delivering remarks at an upcoming civil society forum, will also be meeting with various GOH officials.

GOH Must Re-Focus Anti-Corruption Efforts

19. (C) Comment: While the GOH remains rhetorically committed to fighting corruption, its record in prosecuting corruption, unfortunately, remains undistinguished. At a time when its neighbors are moving forward, however painfully, on corruption charges against high-level individuals, Honduras increasingly risks being portrayed as out of step. Without doubt, a vast majority of Hondurans would support a more active push by the Public Ministry to demonstrate a commitment to the rule of law and greater accountability. The time has come for the GOH, if it wants to do something concrete about the pervasive corruption that permeates Honduras, to demonstrate a commitment to prosecuting high-level corruption. The place to start would be to work to reverse the PM's recent decision to dismiss corruption cases against Callejas and his associates. End Comment.
Palmer